



# Supplier Diversity Strategies Report 2023: Moving Beyond Best Practices

How leaders outperform their peers by 2–3 times



# A Message from the CEO

I am honored to share Supplier.io's 2023 Supplier Diversity Strategies Report focused on Moving Beyond Best Practices. This report is a continuation of the research we conduct annually with our [State of Supplier Diversity Report](#) and our recent [Benchmarking Report](#), giving a full scope of the progress programs can make. While the State of Supplier Diversity focuses on the trends and challenges supplier diversity leaders see, and the Benchmarking Report focused on the overall results of all programs, the Supplier Diversity Strategies Report digs into how top performing programs are able to spend 2-3 times as much as their industry peers with diverse suppliers.

This report provides insight and visibility into how the best of the best operate so we can all learn and improve. After using extensive spend data to identify industry top performers, these leaders graciously and openly shared with us the details of how they operate their programs from strategic planning to daily operations.

This report goes beyond the high-level numbers and digs into the details of what makes these programs so successful. Detailed and objective data combined with extensive interviews is the key to creating truly actionable insights for supplier diversity managers looking to improve.

At Supplier.io, we are immensely proud of the work we do to help organizations improve and mature their programs. We know that every increase in spend is more than just a number on a spreadsheet; it's a diverse business growing and a community uplifted. We hope that our first Supplier Diversity Strategies report provides you with more than a few ideas for how you can continue to grow your program.

— **Aylin Basom**  
CEO, Supplier.io



# Summary

Supplier.io, in partnership with the Sourcing Industry Group (SIG), conducted in-depth analysis of how “best in class” companies, i.e., the top 20% of supplier diversity spend for their respective industries, operate differently to surpass industry benchmarks by 2–3 times.

Although most organizations agree that supplier diversity is crucial to their business, having a dedicated supplier diversity leader is not enough. It is the actions taken to set and meet supplier diversity goals that set leading companies apart from the rest. In many cases, the top-performing programs are not necessarily older or better resourced, but they behave in ways that other programs can learn from and emulate.

After conducting extensive interviews, we identified five specific ways in which top performing companies behave different from their industry peers. These companies:

- 1** Implement more data-driven accountability by tracking metrics at the business or product level, and use that data to hold specific teams accountable and provide clearer feedback.
- 2** Engage in more proactive planning by initiating category planning well ahead of time and bringing in diverse

suppliers earlier for specific purposes. Joint planning with category and business unit (BU) teams can identify future needs and uncovers the best opportunities for a diverse supplier.

- 3** Better connect diversity goals to business goals by tying supplier diversity goals with current business objectives. They build a direct relationship between the supplier diversity team and business leaders outside of procurement and finance.
- 4** Encourage more collaboration across the company by focusing on how diverse suppliers can support specific BU needs and make it easier to scale supplier diversity across all teams.
- 5** Achieve a better balance between data and relationships by using data to prioritize specific relationships with BU teams and diverse suppliers, rather than focusing on one or the other. They join industry groups to learn from peers, gather actionable data, and influence supplier development programs.

In the following report we will explore specific actions leaders take in each of these areas.



# Report Methodology

We used a data-driven approach to determine market leaders; those that get above average results compared to their industry peers. Our research began with a research pool of 466 companies from 15 different industries, and their actual spending data was analyzed to determine the percentage spent with diverse suppliers. It became clear that the top 20% of companies, with the highest diverse spend, outperformed their industry peers by 2-3 times.

Once we identified the top performers using actual spend data, we conducted in-depth one-on-one interviews with their leaders to uncover their unique practices and actionable steps that companies of any size could take to improve their supplier diversity program's success. These companies were from various industries including financial services, technology, transportation, manufacturing, consumer goods, and automotive.

Some of the companies interviewed included CDW, Ford Motor Company, Global Payments Inc., Honeywell Aerospace, M&T Bank, Motorola Solutions, Inc., and Unilever.

It is important to note that we did not find a clear correlation between the age, budget, or staff size of the leading programs. Among the sample group, some programs had been around for decades, while other were relatively new (less than 3 years old). Most programs had one dedicated supplier diversity leader, with part-time support from two to three other teammates globally.

| Total spend data | Companies | Industries |
|------------------|-----------|------------|
| \$1.4T           | 466       | 15         |

## Manufacturing



average diverse spend across all industries



average diverse spend for Manufacturing



Best in class diverse spend for Manufacturing

## High Tech Industry



average diverse spend across all industries



average diverse spend for High Tech



Best in class average diverse spend for High Tech

## Financial Services



average diverse spend across all industries



average diverse spend for Financial Services



Best in class diverse spend for Financial Services

# Setting a Baseline

Using the Supplier.io State of Supplier Diversity report and industry research from analyst firms, The Hackett Group, and Spend Matters, we established a baseline for how most programs operate. The fundamentals of almost any supplier diversity program include the following:

- Identification of supplier diversity as a key aspect of business operations
- CEO and executive sponsor support
- A dedicated supplier diversity leader
- Establishment of a baseline and measurement of success through diverse spend as a percentage of overall spend
- Active search for diverse suppliers
- Regular updates to leadership teams

During our interviews, we discovered that while leading programs adhered to these basics, it was their unique approach to implementation that set them apart.



# More Data-Driven

All companies use data, but it is the level of detail and how they use data that sets leaders from other organizations. Leading organizations track metrics to the BU or product level, set very clear goals and targets, and use data to hold specific teams accountable and provide them clearer feedback.

To ensure accuracy, all of the leaders we interviewed use third-party diversity data and map it down to the BU level. They then use that data in multiple ways, including:

- **Dashboards** – Leaders make the data visible, including supplier diversity metrics in the same dashboard business leaders use to measure their overall business, right next to shipments and revenue. The supplier diversity metrics are tailored to the BU and even go down to the product level. Category managers have their own dashboard in purchasing, which includes supplier diversity metrics they review almost daily.
- **BU-specific targets** – Leaders work with business leaders to set a goal for each major department based on historical trends, current results, upcoming business plans, new contract availability, and feedback for what is needed to win specific upcoming contracts.

- **Forecasting and coaching** – Leaders go beyond setting goals to actual forecasting, similar to other parts of the business, like Sales and Marketing. The Supplier Diversity Leader meets with the Procurement Category and BU leaders to identify how they plan to achieve the new goal and work together to ensure its success. Once the goal, forecast, and key milestones are created, both teams regularly monitor progress to ensure the business is on track. The supplier diversity team checks in regularly to review results, identify areas for improvement, and continue to refine the plan to meet or exceed their goals.
- **Behaviors and results** – Many programs not only track results, but also monitor the leading behaviors that are most likely to get the best results. For example, as accurate data is crucial, one program holds buyers accountable that the data is 100% accurate, measured, and reported on a quarterly basis. Another program regularly surveys the buyers to gauge whether buyers understand the strategy and tools for their supplier diversity program.
- **Accountable** – BU leaders are not only measured but also held accountable. At one organization, 20% of their executive scorecard was tied to achieving their supplier diversity goals, which carries the same weighting as cost savings goals.

I've been working with executives for years. When it comes to how the corporation spends money, you must paint a complete picture, especially if you're working for a company with multiple locations. You must break the data down to individual locations or properties to reflect what each is doing in their respective line of business.

**Neal A. Poland**

*Regional Business Development Manager,  
Diverse Supply Chain Solutions,  
CDW*



# More Proactive

Most supplier diversity teams meet with buyers and engage in proactive category planning to identify future opportunities to include diverse suppliers. However, leaders take planning to the next level by connecting with both BU leaders and buyers well ahead of the RFP (Request For Proposal) process. They proactively influence the needs of the company by bringing in diverse suppliers earlier and for specific purposes, identifying ways to innovate together, and planning out future opportunities.

Leaders are more proactive by:

- **Starting with the BU** – When leaders do category planning with procurement, they include the BU leaders to discuss future projects that may not yet be on procurement’s radar. This provides earlier insights into potential opportunities. In some cases, leaders work with Sales teams to jointly plan upcoming RFP submissions to include more diverse suppliers and win the business.

- **Starting at the design phase** – With the understanding that diverse suppliers can bring in innovation, leaders bring diverse suppliers in at the product design phase to achieve a shared vision for the final product.
- **Having suppliers on deck** – Leaders curate a set of potential diverse suppliers before the opportunities arise. They work with BU leaders to identify the type of services that might be needed and ensure that these specific suppliers are ready to meet the company’s requirements for price, quality, and speed.
- **Being reactively proactive** – Some leading programs take finding new diverse suppliers to a whole new level by partnering with BU leaders to identify past diverse suppliers that were adequate but no longer getting contracts. With the BU’s backing, these suppliers are given additional training and support to meet the company’s needs in the future.

“Cross-functional engagement with your internal business partners, like the ones that touch the RFPs and prepare the corresponding proposals, is critical. Of course, the earlier the supplier diversity team is engaged, the more time we have to know which proposals have small business requirements and when to take action. It also ensures that we comply with the regulations for state, commercial, federal, and the agency we are providing the proposal to.”

**Tiffany Blocker**  
Global Head of Supplier Diversity,  
Motorola Solutions, Inc.



**MOTOROLA**

# More Connected to the Business

Most supplier diversity programs have the support of the business and collaborate with cross-functional peers in procurement and finance. However, leaders are more closely connected with the current business objectives and have direct relationships with line of business leaders outside of procurement and finance.

Leaders are more connected in a few ways:

- **Procurement and BU meetings** – Leaders spend most of their time outside of procurement with BU leaders. They work to understand the BU’s objectives and what is needed for success. The supplier diversity leaders join the BU’s business planning meetings to plan out supplier diversity needs at the department level.
- **Win more business** – Supplier diversity leaders have found clear ways to connect to how the business can win more sales,

especially with big customers and government contracts. They work with the BU to plan out the bidding process and identify specific line items that could be improved by promoting or using more diverse suppliers.

- **Share results** – Leaders are able to directly connect supplier diversity with current and key objectives for the company. One team used the company strategy to show where supplier diversity hit for each company objective. This went well beyond the notion of “this is how we do business” and connected it to key performance objectives like cost, innovation, growth, brand, talent retention, and more. Some leaders were even able to do this at the departmental level. For example, one team showed marketing how supplier diversity was connected to their goal of growing with diverse customers and improving the overall brand.

**We provide a template or framework each department can use, like a guide to developing their objectives, including a list of Ford behaviors we should follow to work for the company and supplier diversity. In this regard, we’re a company committed to positively impacting our communities and the world.**

**Travis Spencer**  
*Head of Supplier Diversity &  
Warranty Recovery,  
Ford Motor Company,*





# More Collaborative

Most supplier diversity leaders work hand in hand with Procurement and provide helpful support in finding diverse suppliers. However, leaders take this a step further by focusing more on how they can support specific BU needs, and streamlining supplier diversity across all teams in the organization. To achieve this, they do the following:

- **Road-shows** – Most supplier diversity teams share what they do with leaders across the business. Top-performing programs take that “road-show” a step further by tailoring specific performance metrics for the team they are meeting with, providing feedback on their progress compared to other departments, and showing how supplier diversity connects their work to the broader company objectives.
- **Make it easy** – Leading programs don’t just provide personalized data, coaching and accountability. They also provide tools and processes to make it easy for everyone to work with diverse suppliers. They provide a central way for business and procurement teams to find and source diverse

suppliers, providing them with the necessary data to select the best one. Some even make it easier to work directly with diverse suppliers. For example, in one program, buyers can bypass the RFP process for contracts under a pre-determined amount if they select a diverse supplier.

- **Join industry groups** – While most supplier diversity professionals are members of and work with certification and industry groups like NMSDC and WBENC, leading programs are highly active and use these organizations as part of their team to help develop and vet diverse suppliers. Most of the supplier diversity leaders hold leadership roles in these organizations to drive programing.

“  
It’s a question of identifying the right level of engagement: which internal groups need the backward-looking reporting, and which groups need to know about current opportunities. Once the latter group is engaged, the next step is knowing which specific people I can connect directly with the supplier to determine what a working relationship might look like.  
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**Kevin Deese**  
Supplier Diversity Program Manager,  
Wilmington Trust and M&T Bank

M&T Bank

# More Balanced Between Relationships and Data

Some supplier diversity leaders look to data, while others focus on building relationships with diverse suppliers. Successful leaders excel at both. They use data to prioritize specific relationships with BU teams and diverse suppliers. Leaders are highly engaged in industry groups to not only build relationships and network, but to learn from peers, gather actionable data, and influence supplier development programs.

Below are some specific ways that successful supplier diversity leaders use data and relationships to drive results:

- **Data-driven relationships** – Most supplier diversity leaders talk about the importance of networking and building relationships. Leaders go beyond general networking and use data to prioritize building relationships with diverse suppliers that are most likely to help specific BUs. They use existing data and third-party data to identify potential diverse suppliers, and then focus their networking efforts on those specific organizations.
- **BU buddies** – Once leaders have identified specific diverse suppliers they want to target, they bring their BU counterparts to matchmaking events to create business relationships directly with future decision-makers in the business. In some cases,

leaders even bring Non-Minority Supplier Development Council and Women’s Business Enterprise National Council leaders into their company to join their departmental road shows.

- **Peer level data** – Joining industry groups allows leaders to share data with peers, review program successes and challenges, and identify how each can learn from each other. They may even share feedback on diverse suppliers.
- **Data and storytelling** – Successful leaders have data at their fingertips, and they all had two stories they shared readily: how the lack of supplier diversity costs them business, and how supplier diversity specifically helps them win more business. While they may not have raw numbers on the business benefits of supplier diversity, they have anecdotes that they share with business leaders to show the importance of supplier diversity.

“ Besides giving us market-to-market insights, the dashboard also indicates how we’re doing on a portfolio-to-portfolio basis. And when a market is mature enough, you can really start to see different ways of approaching different categories because it’s not the same finding suppliers [in every category]. ”

**Lullit Jezequel**  
Sustainability & Partnerships  
Procurement Manager,  
Unilever



# Conclusion

After reviewing these insights, it may seem daunting to adapt the practices of top performing supplier diversity programs. But if we learned one thing from leaders, it is the importance of focus and prioritization. The goal of this report was to share data-driven insights from top performing programs. Below are three ways we hope you can take action:

- 1 Make sure you have the right data to drive action.** Having high level metrics on diverse spend as a part of overall spend alone will not suffice. You should acquire accurate data that you can then use to demonstrate the correlation with the overall health of the business to your leaders.
- 2 Build relationships with business leaders.** In most organizations, the BU drives the strategy, defines the plans, creates the vision for the future, and makes strategic sourcing decisions. You need their support to significantly grow your program. Gain it with tailored data and a clear story.
- 3 Focus on a few things.** Leaders do not try to do it all; instead, in partnership with their cross-functional business partners, they prioritize the battles they can best prepare for and win.

Hopefully this report has given you actionable methods to improve your programs.



## ABOUT SUPPLIER.IO

Supplier.io is the leading data and SaaS provider to manage, optimize, and scale your successful supplier diversity program. Powered by our unparalleled data intelligence, we connect companies with more diverse suppliers so they can spend smarter and do business better. Supplier.io gives you access to the most comprehensive database of diverse suppliers with a team of experts behind you to bring your program to new heights.



Visit us at [supplier.io](https://supplier.io)

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Our team of experts, analysts, advisors, and researchers have been conducting studies and reporting insights on sourcing, procurement, and third-party risk for decades. Our work has helped executives build business cases for innovation and transformation in development, operations, and talent. We have bridged gaps for our providers, created must-have resources for our practitioners, and led the industry in trend awareness and research.



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